GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1390
ANSWERED ON:02.08.2005
VIOLATION OF WTO AGREEMENT
Mollah Shri Hannan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Institute for Agriculture and Trade Policy in their Report has revealed that United States still engages in dumping on large scale despite its prohibition in WTO Agreement;

(b) if so, the reaction of the Government thereto; and

(c) the steps taken by the Government to unite all the developing countries against the violators of WTO agreement that has failed to address the problem of dumping?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) to (c): The Institute for Agriculture and Trade Policy has reported that some agricultural commodities originating in the United States are being sold below their cost of production, terming this as export dumping. In order to offset and prevent dumping, Government has been levying anti-dumping duty not greater than the margin of dumping against products exported to India in accordance with the provisions of the relevant agreements of the World Trade Organisation (WTO). In the event that the products are being exported to India inconsistent with the obligations of the United States under the WTO, dispute settlement provisions can also be invoked.

Noting that large-scale domestic support and the export subsidies provided mainly by some developed countries are distorting trade in, and depressing international prices of, agricultural products, in the on-going negotiations on agriculture in the WTO, India, along with other Members holding similar interests and concerns have demanded that, inter alia, all forms of export subsidies must be eliminated and trade-distorting support provided by developed countries to their agriculture sector must be substantially reduced consistently with the mandate to negotiate agreed at the Doha Ministerial Meeting of the WTO in November 2001 and the Framework Agreement of July 2004. A Special Safeguard Mechanism for developing countries to address any price depressions and surges in imports of agricultural products has also been agreed whose details are under negotiation. The negotiations are expected to conclude by December 2006.